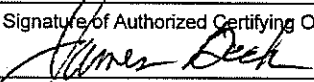


ORIGINAL

FINANCIAL STATUS REPORT
(Long Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted General Services Administration		2. Federal Grant or Other Identifying Number Assigned By Federal Agency CFDA #39.011 - Sect 101, Title 1, Public Law 107-252 HAVA		OMB Approval No. 0348-0039	Page of 12 pages
3. Recipient Organization (Name and complete address, including ZIP code) Texas Secretary of State, Administrative Services Division, PO Box 12887, Austin, TX 78711-2887					
4. Employer Identification Number 74-6000143		5. Recipient Account Number or Identifying Number Program Code 5704		6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Basis <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual					
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 5/1/2003		9. Period Covered by this Report From: (Month, Day, Year) 5/1/2003		To: (Month, Day, Year) 12/31/2003	
10. Transactions:		I Previously Reported	I This Period	III Cumulative	
(a) Total outlays		0.00	24,526.07	24,526.07	
b. Refunds, rebates, etc.		0.00	0.00	0.00	
c. Program income used in accordance with the deduction alternative		0.00	133,794.50	133,794.50	
d. Net outlays (Line a, less the sum of lines b and c)		0.00	-109,268.43	-109,268.43	
Recipient's share of net outlays, consisting of:					
e. Third party (in-kind) contributions		0.00	0.00	0.00	
f. Other Federal awards authorized to be used to match this award		0.00	0.00	0.00	
g. Program income used in accordance with the matching or cost sharing alternative		0.00	0.00	0.00	
h. All other recipient outlays not shown on lines e, f or g		0.00	0.00	0.00	
(i) Total recipient share of net outlays (Sum of lines e, f, g and h)		0.00	0.00	0.00	
(j) Federal share of net outlays (line d less line i)		0.00	-109,268.43	-109,268.43	
(k) Total unliquidated obligations				4,550.00	
(l) Recipient's share of unliquidated obligations				0.00	
(m) Federal share of unliquidated obligations				4,550.00	
(n) Total Federal share (sum of lines j and m)				-104,718.43	
(o) Total Federal funds authorized for this funding period				17,206,595.00	
(p) Unobligated balance of Federal funds (Line o minus line n)				17,311,313.43	
Program income, consisting of:					
q. Disbursed program income shown on lines c and/or g above				0.00	
r. Disbursed program income using the addition alternative				0.00	
s. Undisbursed program income				133,794.50	
t. Total program income realized (Sum of lines q, r and s)				133,794.50	
11. Indirect Expense	a. Type of Rate (Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed				
	b. Rate	c. Base	d. Total Amount	e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title James Beck, Director Administrative Services Division			Telephone (Area code, number and extension) (512) 463-5593		
Signature of Authorized Certifying Official 			Date Report Submitted January 20, 2004		

FINANCIAL STATUS REPORT
(Long Form)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0039), Washington, DC 20503.

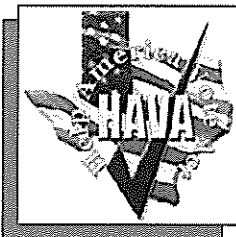
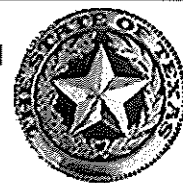
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.

Please type or print legibly. The following general instructions explain how to use the form itself. You may need additional information to complete certain items correctly, or to decide whether a specific item is applicable to this award. Usually, such information will be found in the Federal agency's grant regulations or in the terms and conditions of the award (e.g., how to calculate the Federal share, the permissible uses of program income, the value of in-kind contributions, etc.). You may also contact the Federal agency directly.

Item	Entry	Item	Entry
1, 2 and 3.	Self-explanatory.	10b.	Enter any receipts related to outlays reported on the form that are being treated as a reduction of expenditure rather than income, and were not already netted out of the amount shown as outlays on line 10a.
4.	Enter the Employer Identification Number (EIN) assigned by the U.S. Internal Revenue Service.	10c.	Enter the amount of program income that was used in accordance with the deduction alternative.
5.	Space reserved for an account number or other identifying number assigned by the recipient.	Note:	Program income used in accordance with other alternatives is entered on lines q, r, and s. Recipients reporting on a cash basis should enter the amount of cash income received; on an accrual basis, enter the program income earned. Program income may or may not have been included in an application budget and/or a budget on the award document. If actual income is from a different source or is significantly different in amount, attach an explanation or use the remarks section.
6.	Check yes only if this is the last report for the period shown in item 8.	10d.	e, f, g, h, i and j. Self-explanatory.
7.	Self-explanatory.	10k.	Enter the total amount of unliquidated obligations, including unliquidated obligations to subgrantees and contractors. Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an outlay has not yet been recorded. Do not include any amounts on line 10k that have been included on lines 10a and 10j. On the final report, line 10k must be zero.
8.	Unless you have received other instructions from the awarding agency, enter the beginning and ending dates of the current funding period. If this is a multi-year program, the Federal agency might require cumulative reporting through consecutive funding periods. In that case, enter the beginning and ending dates of the grant period, and in the rest of these instructions, substitute the term "grant period" for "funding period."	10l.	Self-explanatory.
9.	Self-explanatory.	10m.	On the final report, line 10m must also be zero.
10.	The purpose of columns I, II, and III is to show the effect of this reporting period's transactions on cumulative financial status. The amounts entered in column I will normally be the same as those in column III of the previous report in the same funding period. If this is the first or only report of the funding period, leave columns I and II blank. If you need to adjust amounts entered on previous reports, footnote the column I entry on this report and attach an explanation.	10n.	o, p, q, r, s and t. Self-explanatory.
10a.	Enter total gross program outlays. Include disbursements of cash realized as program income if that income will also be shown on lines 10c or 10g. Do not include program income that will be shown on lines 10r or 10s. For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct costs for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase or decrease in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subgrantees and other payees, and other amounts becoming owed under programs for which no current services or performances are required, such as annuities, insurance claims, and other benefit payments.	11a.	Self-explanatory.
		11b.	Enter the indirect cost rate in effect during the reporting period.
		11c.	Enter the amount of the base against which the rate was applied.
		11d.	Enter the total amount of indirect costs charged during the report period.
		11e.	Enter the Federal share of the amount in 11d.
		Note:	If more than one rate was in effect during the period shown in item 8, attach a schedule showing the bases against which the different rates were applied, the respective rates, the calendar periods they were in effect, amounts of indirect expense charged to the project, and the Federal share of indirect expense charged to the project to date.

HELP AMERICA VOTE ACT

Texas Secretary of State



IMPLEMENTATION BRIEFING

LAST UPDATED - APRIL 20, 2004

TEXAS HAVA STATE PLAN

In October of 2002, the Help America Vote Act (HAVA) was signed into law, which created many new election-related mandates for state and local governments as well as funding opportunities. One of the requirements includes the development of a plan outlining the state's HAVA implementation strategy. The Secretary of State's Office (SOS) established a HAVA Advisory Committee comprised of a diverse group of state and local government officials, advocacy groups, and party representatives to assist the SOS in developing the state plan. Specifically, the committee identified areas where Texas is not currently compliant with HAVA and to pinpoint funding priorities within the eligible purpose areas defined in HAVA.

GRANT SYSTEM DEVELOPMENT STATUS

The SOS is currently developing an online grant application and management system. This system is essential for the SOS to establish an infrastructure and the necessary controls to effectively manage the HAVA funds and to accurately report the necessary programmatic and financial information to the federal government.

The grant system will be online and will serve as a one-stop resource whereby organizations can find information about the grant programs, apply for grants, access the terms of the grant, request

funds, and report expenditures and program progress.

FUNDING STREAMS

The HAVA funding administered by the Secretary of State's Office is divided into four funding streams as outlined below:

- Title I, Section 101 - Election Administration Improvement (CFDA No. 39.011)
- Title I, Section 102 - Punch Card and Lever Voting System Replacement (CFDA No. 39.011)
- Title II, Section 251 - Requirements Payments (CFDA No. TBA)
- Title II, Section 261 - Election Assistance for Individuals with Disabilities (EAID) Improvement (CFDA No. 93.617)

PURPOSE AREAS & BUDGET BY FUNDING STREAM

Per the state plan, approximately 30% of the HAVA funds will be retained at the state level with the remainder being sub-awarded. The Help America Vote Act (HAVA) Funding Breakdown table on the following page outlines the purpose areas by funding stream and includes the totals to be sub-awarded along with the amounts to remain at the state level.

TIMELINE FOR GRANT FUND AVAILABILITY

April

- Title I - Punch Card and Lever Voting System Replacement for the 17 Eligible Counties

May-June

- Title I - Election Administration Improvement
- Title II - Requirements Payments (contingent on THE SOS

receiving the award from the newly-formed Election Assistance Commission)

- Title II - Election Assistance for Individuals with Disabilities (EAID) Improvement

STATEWIDE VOTER

REGISTRATION SYSTEM

HAVA requires the state to implement, in a uniform and nondiscriminatory manner, a single, official, centralized, interactive, and computerized statewide voter registration list. The list is to be defined, maintained, and administered at the state level and will contain the name and registration information for every legally registered voter in the state.

The state is on schedule for securing a HAVA compliant statewide voter registration system prior to the January 1, 2006 deadline. In the fall of 2003 a business analyst was hired to assist the state in developing the business rules for the new system. The HAVA consultant obtained information on available technological advances by reviewing vendors and voter registration systems throughout the country. The Secretary of State's Office hosted a mandatory bidders conference for any vendor wishing to bid on the project in November 2003. A request for offer (RFO) was published in late November detailing the requirements for the system. The state addressed and published all questions received pertaining to the RFO by the first week in December of 2003. The state received a total of ten written proposals that passed all requirements.

Help America Vote Act (HAVA) Funding Breakdown

	<u>State</u>	<u>Sub-award</u>
Title I, Section 101 - Election Administration Improvement		
Preliminary Planning for Statewide Voter Registration System	\$465,043	\$0
State Plan Administration	\$3,720,345	\$0
Voter Education	\$2,790,259	\$0
Election Official and Poll Worker Training	\$2,790,259	\$0
Statewide Voter Registration System	\$5,580,517	\$0
County Education Fund	\$0	\$1,860,172
Total:	\$15,346,423	\$1,860,172
Total:	\$17,206,595	
Title I, Section 102 - Punch Card and Lever Voting System Replacement *		
Punch Card and Lever Replacement	\$0	\$6,269,521
Total:	\$0	\$6,269,521
Total:	\$6,269,521	
Title II, Section 257 - Requirements Payments		
Free Access System for Provisional Voters	\$1,000,000	\$0
Statewide Voter Registration System	\$8,607,904	\$0
County Voter Registration Election Management Systems	\$0	\$5,580,517
Accessible Voting System in All Polling Places	\$0	\$25,500,000
Grant Funding to Counties for HAVA Compliance	\$0	\$20,000,000
95% Federal	\$9,127,509	\$48,526,491
5% State	\$480,395	\$2,554,026
Total:	\$9,607,904	\$51,080,517
Total:	\$60,688,421	
Title II, Section 264 - Election Assistance for Individuals with Disabilities		
Training/Information Regarding Accessibility	\$833,749	\$0
Total:	\$833,749	\$0
Total:	\$833,749	
Total Federal	\$25,307,680	\$56,656,185
Total State	\$480,395	\$2,554,026
Total:	\$25,788,075	\$59,210,211
TOTAL HAVA FUNDING:	\$84,998,286	

* The 17 eligible counties include the following: Bell (43 Precincts), Brazoria (68 Precincts), Brazos (109 Precincts), Chambers (14 Precincts), Collin (127 Precincts), Ector (42 Precincts), El Paso (156 Precincts), Harris (935 Precincts), Hays (35 Precincts), Hidalgo (95 Precincts), Howard (21 Precincts), Jefferson (106 Precincts), Reeves (13 Precincts), Smith (72 Precincts), Taylor (39 Precincts), Victoria (36 Precincts), Wichita (53 Precincts)

The state created an eight-member Voter Registration Steering Committee, including five state employees from the Secretary of State's Office and three county officials, to review the written proposals. The HAVA business analyst drafted a list of questions and a scoring matrix in which each vendor would be graded. The State Auditor's Office reviewed all scoring material to ensure a nondiscriminatory and unbiased

process. Each Steering Committee member then graded all vendors in a confidential and independent manner. The review of the bids was a two-tier process. Each committee member reviewed two written documents - a proposal, void of any company logos, and a pricing document. Five vendors were selected for further review and were asked to provide a demonstration detailing their proposal. The Steering Committee then narrowed the field to two vendors. The vendors were asked to return for a second demonstration. The Secretary of State, Assistant Secretary of States, General Counsel, and SOS staff members critiqued the second demonstrations.

The SOS is currently in negotiations with the selected vendor. The project is on track to start in April.

DRE VOTING SYSTEMS

Beginning January 1, 2006, each political subdivision will be required to place a minimum of one accessible DRE in every polling place used in Texas for use by voters with disabilities. HAVA funds will be used to assist all 254 counties in the acquisition of these systems. In House Bill 1549, the Texas Legislature extended these requirements to all political subdivisions within the state. Therefore, starting January 1, 2006, each entity holding an election in Texas will have to provide at least one DRE for each polling place used in their respective election.

The Secretary of State will be convening a DRE Workgroup later this year to assist with developing standards for use of the DREs in order to make the transaction of statewide DRE system use as uniform as possible.

The SOS is currently working with the Texas Building and Procurement Commission to establish standard costs for each of the DRE machines certified in Texas to ensure each political subdivision is afforded the lowest possible cost.

The SOS is currently planning a **DRE Vendor Showcase** to take place in the summer of 2004. More information will follow, but the purpose of the showcase is to allow the DRE vendors an opportunity to demo their products to interested parties.